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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board — **August 1989**

SUMMARY

Worldwide, the global economy is throwing off further signs of a cyclical slowdown. The 11-country indexes both show growth rates faster than the long-term trend, however, so overall the loss of momentum has been limited.

Regionally, the pattern is very uneven. The only vigor (still) is to be found in the Pacific Region. In Europe and North America, the leading indexes have been flat since the turn of the year.

Nationally, the leading indexes for most countries have been sluggish recently. None of the leading index growth rates have turned negative, but in four cases—the United States, Canada, Italy and Korea—the growth rate has dropped below the economy's long-term trend.

The two pronounced exceptions to this picture are Japan and Taiwan, where the leaders continue to look auspicious. The recent data from Japan are especially encouraging. The imposition of a national sales tax in April distorted the normal pattern of consumer buying in Japan, and might well have caused a sharp temporary dip in the leading index. Although such an aberration may yet show up (when the second-quarter consumer credit and inventory figures become available), thus far the leading index has continued to climb briskly.

Summary Of Growth Rates, Eleven Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*				
	1976-86	6 mos ago	3 mos ago	Latest month	6 mos ago	3 mos ago	Latest month	Current Reading on the Cycle	Latest Month Covered
	annual rates, percent								
Eleven countries	3	5	5	4	6	9	7	Expansion continuing	May
Ten countries excl. U.S.	3	6	6	4	7	12	10	Expansion continuing, leaders strong	May
North America (2)	3	4	5	3	3	4	3	Expansion continuing	May
Europe (4)	2	6	5	4	5	5	3	Expansion continuing	May
Pacific Region (5)	4	7	6	5	10	23	20	Expansion continuing, leaders strong	May
United States	3	4	5	3	4	2	2	Expansion continuing	June
Canada	3	4	4	3	0	1	0	Expansion continuing, leaders weak	May
West Germany	2	5	5	5	4	8	5	Expansion continuing	June/May
France	2	8	8	6	8	4	2	Expansion continuing	May /June
United Kingdom	2	7	6	6	4	2	3	Expansion continuing	May
Italy	2	4	1	-1	3	2	1	Downturn may be developing	Apr /May
Japan	4	7	6	5	10	27	23	Expansion continuing, leaders strong	May
Australia	3	9	12	10	6	4	4	Expansion continuing	May
Taiwan, R.O.C.	8	8	7	5	11	12	9	Expansion continuing	June
Korea, R.O.K.	7	7	8	1	10	3	6	Expansion continuing	May
New Zealand	2	-4	-1	0	4	3	4	Upturn developing	Feb /May

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1987-89

		11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Oct.	87	121	133	121	133	120	132	113	118	134	161
Nov.	87	121	132	122	132	120	131	113	117	135	159
Dec.	87	122	132	123	132	121	132	114	117	136	157
Jan.	88	122	132	124	132	121	132	115	118	137	157
Feb.	88	123	133	124	132	122	133	115	118	139	156
Mar.	88	124	134	125	134	123	133	116	119	140	161
Apr.	88	124	135	125	136	123	132	116	119	139	166
May	88	124	136	126	138	123	132	117	120	140	170
June	88	125	138	127	139	124	135	117	120	141	172
July	88	125	138	127	140	124	133	118	121	141	174
Aug.	88	126	140	128	141	124	136	118	122	142	176
Sept.	88	127	139	128	141	125	135	119	122	143	175
Oct.	88	127	139	128	141	126	135	119	122	144	174
Nov.	88	128	140	130	142	126	136	120	123	145	175
Dec.	88	128	142	130	144	126	136	120	123	146	182
Jan.	89	129	144	131	147	127	138	121	124	147	188
Feb.	89	130	145	131	149	128	137	121	124	147	193
Mar.	89	131	145	133	150	128	136	122	124	152	195
Apr.	89	130	146	132	151	128	137	122	124	148	198
May	89	130	146	132	151	128	137	122	124	148	200

11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
6	11	6	13	6	7	5	3	7	28
6	7	6	9	6	5	5	1	7	20
7	6	7	7	7	4	6	1	8	14
6	5	7	5	5	4	6	2	8	10
7	4	7	4	6	3	6	2	10	6
7	5	8	6	6	3	6	3	9	10
6	5	6	7	6	2	5	2	8	13
6	5	6	9	5	1	6	3	6	16
6	7	6	9	5	4	6	4	8	15
6	6	6	9	5	1	5	4	7	15
5	7	6	9	4	4	6	5	7	16
5	6	6	8	4	3	6	5	7	12
5	6	5	7	5	3	5	5	6	10
5	6	6	7	4	3	6	5	7	10
5	8	6	10	4	4	6	5	7	16
5	9	6	12	5	5	5	6	7	21
5	9	6	12	5	4	5	5	6	23
6	8	8	11	4	2	5	4	12	21
5	8	5	11	4	3	5	3	6	22
4	7	4	10	3	3	4	3	5	20
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, ELEVEN COUNTRIES, 1987-89

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.		New Zealand	
		Indexes, 1980 = 100																					
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Oct.	87	120	133	125	122	111	117	119	121	112	117	108	115	132	164	126	124	171	194	189	188	114	116
Nov.	87	120	132	126	123	112	116	120	121	113	116	107	115	133	161	126	123	170	191	192	194	114	114
Dec.	87	121	133	127	123	112	116	120	121	114	116	108	115	134	159	128	123	170	193	198	197	113	114
Jan.	88	121	133	127	125	112	117	121	121	114	117	110	114	135	158	128	123	170	192	201	201	112	113
Feb.	88	121	133	128	125	112	118	122	122	115	117	110	115	136	158	130	124	174	197	203	202	111	113
Mar.	88	122	134	128	125	113	118	123	123	116	117	111	116	137	163	132	125	172	201	204	205	111	113
Apr.	88	122	133	129	125	112	118	123	123	116	117	111	116	137	169	130	126	172	202	200	202	110	113
May	88	123	133	129	125	113	119	124	124	117	118	111	117	137	174	131	128	174	205	199	203	110	113
June	88	123	136	130	125	114	119	125	126	117	118	112	117	139	176	133	129	175	206	201	207	110	113
July	88	124	134	130	124	114	121	125	126	118	118	113	117	139	178	134	129	177	209	200	209	109	112
Aug.	88	124	137	130	124	115	121	126	127	118	118	113	118	140	180	134	131	179	215	204	212	109	113
Sept.	88	124	136	131	125	115	121	127	128	118	118	112	118	140	178	137	131	180	217	205	209	110	114
Oct.	88	125	136	131	124	115	121	127	129	119	118	112	119	141	178	138	130	180	217	208	212	110	114
Nov.	88	125	137	132	124	115	122	129	130	120	120	113	119	142	178	138	131	184	219	208	216	110	116
Dec.	88	126	138	132	125	116	123	129	130	121	119	113	118	143	187	140	130	183	218	209	219	110	115
Jan.	89	126	139	133	126	117	124	130	131	121	120	112	119	144	194	142	131	185	219	212	218	110	115
Feb.	89	127	138	133	125	118	125	131	130	122	119	113	119	144	200	144	131	183	219	214	213	110	116
Mar.	89	127	137	133	126	118	126	132	130	122	119	112	119	149	202	144	132	185	226	214	219		116
Apr.	89	127	138	133	125	118	126	132	128	122	119	112	119	145	206	148	131	185	223	210	219		116
May	89	127	138	133	125	118	125	132	129	123	120		119	145	208	146	133	188	223	208	219		117
June	89	127	138			119			130									186	227				
		Growth Rates, Percent																					
Oct.	87	6	7	7	5	3	5	6	4	7	2	4	0	6	32	6	8	10	18	12	9	3	0
Nov.	87	6	5	7	6	4	3	7	3	7	0	3	-1	7	22	5	5	8	13	13	13	3	-3
Dec.	87	6	4	7	5	4	2	7	3	8	-1	4	-1	7	15	8	4	6	13	17	14	1	-3
Jan.	88	5	3	7	6	3	3	7	3	8	2	6	-2	8	10	7	3	4	9	18	16	-1	-4
Feb.	88	6	3	6	5	4	3	7	4	8	1	6	0	9	6	8	4	8	12	18	14	-3	-5
Mar.	88	6	3	7	5	4	3	7	5	8	1	6	2	9	10	9	5	4	14	15	15	-3	-4
Apr.	88	6	1	6	4	3	4	6	3	8	1	6	2	8	14	6	6	4	12	10	9	-4	-4
May	88	5	1	6	3	4	4	7	5	8	2	6	3	7	17	6	8	4	14	7	9	-4	-3
June	88	5	4	6	3	4	4	7	7	7	2	6	3	8	16	9	8	5	12	7	11	-4	-2
July	88	5	1	5	1	3	5	7	7	6	2	7	3	7	16	9	7	6	13	5	11	-5	-3
Aug.	88	4	5	5	1	5	5	8	7	5	2	5	4	7	16	7	9	8	17	7	13	-4	-1
Sept.	88	4	3	5	1	4	4	8	8	6	1	4	3	7	13	10	8	8	16	6	7	-3	0
Oct.	88	5	3	4	0	3	5	7	9	6	2	3	4	6	11	11	5	7	15	7	9	-2	2
Nov.	88	4	4	4	0	4	4	8	9	7	4	4	3	7	10	9	6	10	14	7	10	-1	4
Dec.	88	4	4	4	1	5	6	8	8	6	2	4	3	7	18	11	4	8	11	6	11	0	3
Jan.	89	5	5	4	1	5	7	8	7	6	3	1	3	7	24	11	5	9	10	8	9	0	3
Feb.	89	5	4	4	1	5	8	8	6	6	2	1	2	6	27	12	4	6	8	8	3	0	3
Mar.	89	5	2	3	1	5	7	8	4	5	1	-1	1	13	24	10	4	7	12	9	8		3
Apr.	89	4	3	3	1	5	6	7	1	5	1	-1	1	5	25	16	2	5	7	3	7		3
May	89	3	3	3	0	4	5	6	2	6	3		1	5	23	10	4	7	6	1	6		4
June	89	3	2			5			2									5	9				
		Ten Year Annual Growth Rate, Percent																					
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7		2